

AMENDED IN ASSEMBLY MAY 4, 2011

AMENDED IN ASSEMBLY APRIL 11, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 1229

Introduced by Assembly Member Feuer

February 18, 2011

An act to amend Section 14553.4 of the Government Code, relating to transportation financing, ~~and making an appropriation therefor.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 1229, as amended, Feuer. Transportation: financing: federal highway grant anticipation notes.

Existing law continuously appropriates the amounts specified in the annual Budget Act as having been deposited in the State Highway Account from federal transportation funds, and pledged by the California Transportation Commission, to the Treasurer for the purposes of issuing federal highway grant anticipation notes, commonly known as GARVEE bonds, to fund transportation projects selected by the commission. Existing law prohibits the Treasurer from authorizing the issuance of the notes if the annual repayment obligations of all outstanding notes in any fiscal year would exceed 15% of the total amount of federal transportation funds deposited in the account for any consecutive 12-month period within the preceding 24 months.

This bill would ~~increase the 15% limitation to 25%, thereby making an appropriation. This bill, with respect to the amount represented by the 25% limitation, would reserve 40% of that amount to fund projects proposed by transportation planning agencies. The notes for those projects would be secured by all federal transportation funds deposited~~

~~in the State Highway Account, but would be repaid from specified federal funds designated for allocation to and expenditure by the transportation planning agencies. The bill would provide that a transportation planning agency may not commit more than 50% of its share of apportionments of the designated federal funds to annual debt service on the notes, as specified. The bill would require the commission to approve these project proposals upon receiving a communication from the Director of Transportation that the associated debt service for the transportation planning agency's region will not exceed the 50% limitation and a communication from the Treasurer that the total debt service on federal grant anticipation notes authorized will not exceed the overall 25% limitation~~ *authorize a transportation planning agency, for purposes of funding transportation projects from notes secured by federal transportation funds, to commit up to 50% of its share of apportionments of specified federal transportation funds that are apportioned to transportation planning agencies. A transportation planning agency electing to commit these federal funds to debt service on the notes would be required to inform the Department of Transportation, the commission, and the Treasurer.*

Vote: majority. Appropriation: ~~yes~~-no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 14553.4 of the Government Code is
2 amended to read:
3 14553.4. (a) The Treasurer may not authorize the issuance of
4 notes if the annual repayment obligations of all outstanding notes
5 in any fiscal year would exceed ~~25~~ 15 percent of the total amount
6 of federal transportation funds deposited in the State Highway
7 Account in the State Transportation Fund for any consecutive
8 12-month period within the preceding 24 months.
9 (b) ~~Of the amount represented by the 25-percent limitation in~~
10 ~~subdivision (a), 40 percent shall be reserved for projects proposed~~
11 ~~by transportation planning agencies for funding from notes secured~~
12 ~~by all federal transportation funds deposited in the State Highway~~
13 ~~Account, but to be repaid by federal regional surface transportation~~
14 ~~program funds and federal congestion mitigation and air quality~~
15 ~~funds that flow through the State Highway Account for use by~~
16 ~~transportation planning agencies pursuant to Sections 182.6 and~~

1 182.7 of the Streets and Highways Code. A transportation planning
2 agency may not commit more than 50 percent of its share of
3 apportionments of Section 182.6 and 182.7 funds for any
4 consecutive 12-month period within the preceding 24 months to
5 annual debt service on the notes. The commission shall approve
6 regionally funded project proposals pursuant to this subdivision
7 upon receiving a communication from the Director of
8 Transportation that the associated debt service for the transportation
9 planning agency's region will not exceed 50 percent of its share
10 of Section 182.6 and 182.7 funds and a communication from the
11 Treasurer that the total debt service on notes authorized pursuant
12 to this article will not exceed the 25-percent limitation under
13 subdivision (a). Approval by the commission constitutes a pledge
14 of federal funds pursuant to subdivision (a) of Section 14554.8.

15 *(b) Consistent with the limitation in subdivision (a), a*
16 *transportation planning agency, for purposes of funding projects*
17 *from notes secured by federal transportation funds, may commit*
18 *up to 50 percent of its share of apportionments of federal regional*
19 *surface transportation program funds and federal congestion*
20 *mitigation and air quality funds that flow through the State*
21 *Highway Account for use by transportation planning agencies*
22 *pursuant to Sections 182.6 and 182.7 of the Streets and Highways*
23 *Code. A transportation planning agency electing under this*
24 *subdivision to commit these federal funds to debt service on the*
25 *notes shall inform the department, the commission, and the*
26 *Treasurer.*